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RUEHSA/AMEMBASSY PRETORIA PRIORITY 2062
RUEHYD/AMEMBASSY YAOUNDE PRIORITY 1015
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RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RHEBAA/DEPT OF ENERGY WASHDC PRIORITY
RUEHC/DEPT OF LABOR WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEKJCS/DIA WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY
RHMFISS/HQ USEUCOM VAIHINGEN GE PRIORITY
RHMFISS/HQ USAFRICOM STUTTGART GE PRIORITY
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK PRIORITY
RHEHNSC/NSC WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 ABUJA 001591

SIPDIS

DEPT FOR AF/FO, AF/W, INR/AA;
DEPT PASS TO USAID FOR AFR (ATWOOD);
DEPT PASS USTR (AGAMA);
DOE FOR GPERSON, CHAYLOCK;
TREASURY FOR PETERS AND IERONIMO;
LABOR FOR SHALEY;
USDA/FAS/OTP FOR MCKENZIE;

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TAGS: [PGOV](#) [ECON](#) [PREL](#) [OREP](#) [ELAB](#) [EFIN](#) [PINR](#) [NI](#)
SUBJECT: NIGERIAN NUGGETS -- AUGUST 28, 2009

Classified By: Political Counselor James P. McAnulty
for reasons in Sections 1.4 (B) and (D)

¶1. (U) Mission Nigeria provides the following compilation of recent political, economic, and social developments in Nigeria not reported elsewhere.

Oil Production Increases

¶2. (SBU) Petroleum Resource Minister Rilwan Lukman announced August 26 that Nigeria's daily crude oil production has now reached 1.7 million barrels per day (bpd), up from 1.2 million bpd. (N.B.: OPEC limits Nigeria's production to 1.7 million bpd. Crude oil reserves stand at 37 billion barrels, with a target of 40 billion barrels in the near future. End note). Lukman attributed increased production to improved security in the oil producing Delta resulting from the GON amnesty program for militants. Although some international oil companies (IOC) confirmed improved production, they remained nervous and warned that production levels could again decrease.

CONCERN OVER TAX IMPLICATIONS OF PIB

¶3. (C) The British High Commissioner, Charge, Acting ECON Counselor, and French and Dutch counterparts met August 26 to discuss IOC concerns over the draft Petroleum Industry Bill (PIB) under consideration by Nigerian National Assembly. While participants praised the Bill's objective of deregulating the industry as positive, they expressed concern that the bill's tax regime would negatively affect current contract rights and future investment and production capacity. They agreed that providing the GON urgently with an independent analysis on tax implications would be important. Senior GON officials in the oil and gas sector appeared determined to press for the bill's passage before

year's end. While the Finance Ministry recently approached the IMF to conduct such an analysis, the IMF appeared unable to dispatch a team before October. Given the PIB's potentially significant impact and the opportunity presented by the Finance Ministry's request, attendees agreed to send messages to their capitals to explore possibilities for encouraging the IMF to act much sooner.

IBM COLLABORATIVE LAB AND CORPORATE SERVICE CORPS

¶4. (U) IBM representatives briefed Charge August 27 on plans to establish a collaborative laboratory at the GON-funded Digital Bridge Institute in Abuja, the first of its type in Africa. IBM planned to assign three or four researchers to work with Nigerian counterparts on projects co-financed by the GON and the World Bank, with research focusing initially on developing tele-communications and cellular telephone applications to help farmers obtain better information to market their products. IBM also mentioned the possibility of establishing a similar collaborative lab at the Usumanu Danfodiyo University in Sokoto.

¶5. (U) IBM has agreed with the Cross River State government to launch a Corporate Service Corps program in Calabar. The first cohort of nine IBM managers (including two U.S. citizens) would arrive the last weekend in August to start a one-month leadership program, involving local

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non-governmental organizations and the state government, in tourism value chain development and design and delivery of social welfare programs. IBM intended to send two more groups in October and early 2010.

PORT PROBLEMS

¶6. (SBU) APM Ports reported to an August 21 American Business Council (ABC) meeting that it had greatly reduced ship waiting times for off-loading and enhanced port safety and security since taking over management of Lagos' Apapa Port in January. Despite gains in efficiency, the customs process continues to cause delays in clearing containers, with clearances taking an average of 28 days. Nigerian Customs personnel scan 100 percent of containers and inspect 80 percent. (N.B., in comparison, the United States and Europe scan 100 percent and inspect ten percent. END NOTE.)

¶7. (C) Meeting participants heard that Nigerian Customs officials reportedly charge "fees" of 20,000 dollars to "expedite" clearances of containers, with sources estimating that these officials receive up to 15 million dollars monthly in bribes. Companies often use shipyards as storage facilities, with containers left there for months before pick up. Authorities auction containers left for 90 days or more, at times to the original owners, for fractions of their fair market value. AMP Ports representatives suggested that, to promote effective operations, authorities should dredge the harbor to 13 meters regularly, enforce existing customs laws, and improve infrastructure, including roads and power. Meeting participants also learned that a Chinese company won the tender for expansion of Lagos Port.

¶8. (SBU) Pfizer representatives at the ABC meeting remarked that 50 percent of pharmaceuticals in Nigeria were fake, with all fakes coming through the ports. Efficient inspections in Amsterdam prevented additional fake pharmaceutical products from entering from India to Nigeria.

SEIZURE OF WEAPONS TRUCK IN ABUJA

¶9. (SBU) Nigerian Police officials confirmed to us that they intercepted a truck loaded with weapons at Jabi Motor Park in Abuja. Police determined that the weapons belonged to the Nigeria Union of Road Transport Workers (NURTW). Federal Capital Territory (FCT) police arrested and detained about 36 NURTW members, who remained under interrogation by the Criminal Investigation Department (CID). Authorities impounded the truck and its cargo in the FCT Command pending further investigation on the weapons, source. Police, who had reportedly become aware of a burgeoning conflict during the past month between NURTW members and non-union workers in Jabi Motor Park, quickly intervened to prevent violence.

OPPOSITION CANDIDATE WINDS SPECIAL ELECTION

¶10. (U) The Independent Nigerian Electoral Commission (INEC) declared that opposition Action Congress (AC) candidate Kabir Adjoto won a special election August 22 for a House of Assembly seat in the Akoko-Edo constituency. Last July, the Federal Appeals Court upheld a lower court ruling that violence and irregularities had marred the April 2007 election of ruling People's Democratic Party (PDP) legislator Anselem Agbabi, and ordered INEC to conduct a new election

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within 90 days. The PDP rejected Adjoto's victory and vowed to seek court redress, alleging that AC thugs had disrupted the election by using dangerous weapons to frighten away voters. Governor Adams Oshiomhole countered that the PDP lost because it could not rig this special election as occurred in 2007. With Adjoto's victory, the AC increased its seats in the 24-member Assembly to 10, while the PDP seats dropped to 12 members. Two cases remained pending before the courts.

ISLAMIC COMMUNITY MEETS AT CG LAGOS

¶11. (U) Lagos Consul General hosted an Iftar dinner August 26 for members of the Islamic community, including scholars, imams, prominent businessmen, and civil society leaders. Leading Islamic scholar and Muslim Rights Concern (MURIC) Director, Professor Is-haq Akintola, declared that "Islam is a religion of peace; Islam gives life." He categorically rejected Islam's association with terrorism, adding that the United States did what Islamic nations should do -- leading the world in charity and assistance to the poor. Professor Khalid Adekoya condemned Boko Haram as anti-Islamic, reminding guests that Islam admonished all followers to seek knowledge "even to the ends of the earth." H argued that Boko Haram directly contradicted Islamic teachings. Other participants, including a representative of Catholic Cardinal Anthony Okogie, expressed appreciation to CG for the chance to meet with Muslim community leaders in a warm, congenial setting.

CONGRESSWOMAN VISITS USAID PROJECTS

¶12. (SBU) U.S. Congresswoman Sheila Jackson Lee visited two projects supported by the U.S. Agency for International Development (USAID) during her August 19-20 visit to Nigeria. At the first project, Representative Jackson Lee met with staff and patients at Saint Mary's Catholic Hospital, which provided free HIV/AIDS comprehensive care to infected persons with support from the President's Emergency Plan for AIDS Relief (PEPFAR). At the second project, she toured an International Institute of Tropical Agriculture (IITA) field station supported by the Global Food Security Response initiative. The field station provided farmers, including many women, with high-yielding, disease-

resistant varieties of cassava, rice, and maize. Farmers praised the USAID-supported model, which allowed them to triple incomes and productivity. Local media covered the Congresswoman's remarks, which highlighted U.S. support for food security, electoral reform, and good governance.

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